

CHICAGO AND



TRANSPORTATION COMPANY

BERNARD J. ALLEN  
DIANE KOHLER-RAUSCH  
JOAN A. SCHRAMM  
ASSISTANT SECRETARIES

DIRECT DIAL NUMBER  
312/454-6534

BY MESSENGER

RECORDATION NO. 9125 Filed & Recorded

December 15, 1977 DEC 16 1977-9 15 AM

File No.: A-10508

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission  
Washington, D.C. 20423  
Attention: Mr. Robert L. Oswald, Secretary

Gentlemen:

Pursuant to Section 20c of the Interstate Commerce Act, as amended, attached for recordation are Counterpart Nos. 1 to 7, inclusive, of Equipment Lease dated as of December 13, 1977, covering lease by this Company of 264 passenger cars and 46 passenger locomotives.

The names and addresses of the parties to the transaction are as follows:

1. This Company, 400 West Madison Street, Chicago, Illinois 60606, Lessee.
2. Regional Transportation Authority, P. O. Box 3858, Chicago, Illinois 60654, Attention: Bernard J. Ford, Lessor.

Enclosed is our check for \$50.00 to cover your recording fee. Please return Counterpart Nos. 1 to 6, inclusive, showing your recordation data.

7-350AC10

Date DEC 16 1977

Fee \$ 50

ICC Washington, D. C

Very truly yours,

*Diane Kohler-Rausch*

Diane Kohler-Rausch  
Assistant Secretary

DK:ph  
Enclosures

cc: R. L. Schardt\*

F. E. Cunningham, Attn: H. Labno\*

D. E. Stockham, Attn: R. S. Brenner\*

Z. Steiger\*

R. F. Guenther, Attn: J. James\*

R. D. Smith

William E. Barrows

Hopkins, Sutter,

Owen, Mulroy, Davis &  
Cromartie

\*with copy of agreement attached

400 WEST MADISON STREET / CHICAGO, ILLINOIS 60606

CHICAGO AND  
**NORTH WESTERN**  
TRANSPORTATION COMPANY  
**REMITTANCE REPORT**

STOCK CODE 06310  
REV. 12-75

**No. 116758**

VENDOR NUMBER

98060

*Interstate Commerce Commission* *W.D. Kohler-Rausch*

*Washington, D.C. 20423*

PARTICULARS:

\$ 50.00

AMOUNT

*Acc for filing RTA Equipment Base detail  
12/13/77 w/ICC.*

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

12/16/77

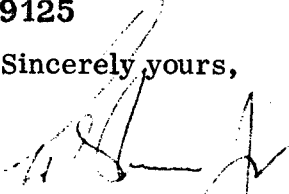
OFFICE OF THE SECRETARY

Diane Kohler-Rausch  
Assistant Secretary  
Chicago and North Western Transp. Co.  
400 West Madison Street  
Chicago, Illinois 60606

Dear Sir:

The enclosed document(s) was recorded pursuant to the  
provisions of Section 20(c) of the Interstate Commerce Act,  
49 U.S.C. 20(c), on 12/16/77 at 9:15am  
and assigned recordation number(s) 9125

Sincerely yours,

  
H.G. Homme, Jr.  
Acting Secretary

Enclosure(s)

SE-30-T  
(6/77)

COUNTERPART  
No. 7 of 10

EQUIPMENT LEASE  
BETWEEN  
CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY  
AND  
REGIONAL TRANSPORTATION AUTHORITY  
9125  
RECORDATION NO. .... Filed & Recorded  
DEC 16 1977-9 15 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, entered into this 13th day of  
December, 1977, by and between the REGIONAL TRANSPORTA-  
TION AUTHORITY (herein called the "Authority"), a municipal  
corporation duly organized and existing under the provisions  
of the Regional Transportation Authority Act of the State of  
Illinois, as amended (Illinois Revised Statutes 1976, Chap.  
111 2/3, Sec. 701.01, et seq.) [herein called the "Act"],  
and CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (herein  
called the "Railroad"), a business corporation duly organized  
and existing under the provisions of the General Corporation  
Law of the State of Delaware;

W I T N E S S E T H:

WHEREAS, the Authority and the Railroad, pursuant  
to the Act, have entered into a Purchase of Service Agree-  
ment dated December 23, 1976, and effective as of July 1,  
1975, covering the Railroad's rail commuter service in the  
Chicago metropolitan region (herein, together with all

subsequent purchase of service agreements between the Authority and the Railroad, called the "Service Agreement"); and

WHEREAS, the Authority and the Railroad have also entered into an Equipment Purchase Agreement dated as of June 1, 1977, pursuant to which the Authority has agreed to purchase 264 bi-level coaches and 46 locomotives from the Railroad for the depreciated book value thereof as of June 30, 1977, and to lease each such coach and locomotive back to the Railroad for a period estimated to be equal to its remaining useful life on the basis of a nominal rental (herein called the "Purchase Agreement"); and

WHEREAS, on the date hereof, the Authority has purchased certain of such coaches and locomotives from the Railroad pursuant to the Purchase Agreement, and the Authority desires to lease the same back to the Railroad, which desires to lease the same from the Authority, on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the sum of ten dollars (\$10) and of other good, valuable, and sufficient consideration to each by the other in hand paid, the receipt of which is hereby acknowledged, and also in consideration

of the mutual covenants herein contained, the parties hereto have covenanted and agreed, and do hereby covenant and agree, with the each other as follows:

ARTICLE I  
DESCRIPTION AND GENERAL USE OF EQUIPMENT

1.01 The Authority will and hereby does furnish to the Railroad, and let for the exclusive possession and use of the Railroad (but subject to any current right of use [herein called "Third-Party Use"] of any railroad or other entity approved in writing by the Railroad and the Authority) each bi-level coach and locomotive this day purchased from the Railroad by the Authority pursuant to the Purchase Agreement and described in Exhibit A hereto (herein collectively called the "Original Equipment"). As used herein, the term "Equipment" shall include not only each unit of the Original Equipment but also all units of equipment which replace any units of the Equipment pursuant to the terms of this Equipment Lease (each unit of Equipment being herein called a "Unit").

1.02 The Authority further agrees to allow the Railroad to, and the Railroad hereby agrees that it will,

retain and use each Unit during the term hereof as to such Unit (subject to any Third-Party Use) for the purposes of the Railroad's usual business as a Transportation Agency providing Public Transportation Services by rail within the Metropolitan Region (as such terms are defined in the Act) and within the areas contiguous thereto within which the Railroad now operates, namely, on the Railroad's rail commuter lines between Chicago and Geneva, Illinois, Chicago and Harvard, Illinois, Crystal Lake Junction and Richmond, Illinois, and Chicago and Kenosha, Wisconsin, or within which the Railroad may from time to time operate in the future (provided, however, that any future change in the Railroad's commuter lines, which would result in the Railroad using any Unit outside the Metropolitan Region, as defined in the Act, shall be subject to the Authority's prior written consent, which shall not be unreasonably withheld), for the period of time commencing on the date hereof and ending with the expiration of this Equipment Lease with respect to such Unit, free from interruption or interference by the Authority except as hereinafter provided and except as provided in the Service Agreement.

ARTICLE II  
PURCHASE, DELIVERY AND ACCEPTANCE OF EQUIPMENT

2.01 Pursuant to the Purchase Agreement, the Railroad has this day delivered the Original Equipment to the Authority (subject to any Third-Party Use), and the Authority hereby redelivers, and the Railroad hereby accepts delivery and acknowledges receipt of, the Original Equipment, pursuant to the terms of this Equipment Lease (subject to any Third-Party Use).

ARTICLE III  
CONTINUING RENTAL FOR EQUIPMENT

3.01 The Railroad agrees to pay to the Authority a rental of one dollar (\$1) per year per Unit for the possession and use of such Unit during the term of this Equipment Lease applicable to such Unit.

3.02 The rentals of one dollar (\$1) per year per Unit shall commence on the date hereof (or on such later date as any Unit shall become subject to this Equipment Lease) and shall continue during the term hereof as to such Unit. Such rentals shall be payable by the Railroad in



United States currency or by regular check, without deduction or delay, in advance on the date hereof and on each consecutive anniversary of the date hereof, at the offices of Authority in Chicago, Illinois; provided, however, that the Railroad's failure to pay any such rental shall not constitute grounds for termination of this Equipment Lease unless such failure continues for a period of at least thirty (30) days after receipt by the Railroad of written notice of such failure and the Authority thereafter elects to terminate this Equipment Lease by another written notice to the Railroad.

3.03 In consideration of such rentals, the Railroad shall be entitled to exclusive possession and use of each Unit for the entire term of this Equipment Lease applicable to such Unit, except as otherwise provided herein or in any Service Agreement then in effect and subject to any Third-Party Use.

ARTICLE IV  
AUTHORITY'S EQUIPMENT DELIVERY AND  
ENCUMBRANCE RESPONSIBILITIES

4.01 Except as provided for in or arising under

the rules and regulations issued pursuant to the Urban Mass Transportation Act of 1964, as amended, and/or State of Illinois Public Act 77-153, and/or as provided for in or arising under grant contracts between the Authority and the United States Department of Transportation, Urban Mass Transportation Administration ("UMTA"), and/or the Illinois Department of Transportation ("IDOT"), the Authority will deliver the Equipment to the Railroad free, clear, discharged and unencumbered of any and all charges, judgments, taxes, assessments and encumbrances of whatever nature or kind, arising through the fault or act of the Authority, and will not, during the period of this Equipment Lease, voluntarily encumber the Equipment in any manner whatsoever.

ARTICLE V  
ENCUMBRANCE RESPONSIBILITIES OF RAILROAD

5.01 Nothing herein contained shall affect the Authority's absolute ownership of and title to the Equipment, such ownership and title being hereby expressly reserved to and retained by the Authority, and the Railroad (subject to any Third-Party Use) agrees not to sublet or sublease the Equipment or any Unit or part thereof, nor to permit the same, or any Unit or part thereof, to pass from

under its control, nor to be taken off its property or the property of its subsidiaries other than for the purpose of repairs or except as hereinafter provided in the Equipment pooling provision of ARTICLE XV or as otherwise provided in this Equipment Lease or permitted by the Authority in writing.

5.02 The Railroad further agrees that it will not, in any manner, suffer or permit the Equipment, or any Unit or part thereof, to be pledged, seized, or held for any tax, debt, lien, or any other obligation whatsoever of the Railroad or of any subsidiary of the Railroad, nor to be in any manner encumbered by or in consequence of any such tax, debt, lien, or obligation.

5.03 In case any state, county or other tax shall be imposed or payable on the Equipment or any Unit or part thereof, during the term of this Equipment Lease, or before the actual redelivery of any Unit to the Authority at the termination of this Equipment Lease with respect to such Unit, the Railroad will, subject to its right to protest in good faith any such tax by appropriate proceedings, promptly pay such tax, and relieve each Unit from the lien of any such tax that is not then being contested in good faith by

appropriate proceedings; and, in case of the Railroad's failure so to do, the Authority may pay such taxes, or the debts or obligations of the Railroad or of any entity affiliated with the Railroad that encumber any Unit, and all charges and expenses connected therewith or arising therefrom; and the amount so paid by the Authority, with interest thereon at the Interest Rate (as defined in the Purchase Agreement) from the time of such payment, shall forthwith be due and payable from the Railroad to the Authority. If the Railroad is contesting any such tax in good faith and by appropriate proceedings at the termination of this Equipment Lease with respect to any Unit, the Railroad shall subsequently pay any part of such tax which may become payable upon completion of such good faith contest.

ARTICLE VI.  
PREMATURE TERMINATION OF LEASE

6.01 In the event the Railroad shall for any reason whatsoever discontinue its Public Transportation Service by rail in the Metropolitan Region, as such terms are defined in the Act, or in the event said Service is sold or otherwise disposed of (other than by a transfer of

substantially all of the assets of said Service to any corporation or entity approved by the Authority [which approval shall not be unreasonably withheld] or to a wholly-owned subsidiary of the Railroad or by a merger, consolidation, exchange or sale of stock or sale or lease of substantially all the Railroad's lines of railroad to a corporation or other entity approved by the Interstate Commerce Commission or any other agency whose approval is required under federal law), each Unit shall be returned to the Authority and this Equipment Lease shall terminate. As used in this Section 6.01, the word "discontinue" means to voluntarily stop providing Public Transportation Service by rail in the Metropolitan Region (as such terms are defined in the Act) without intending to recommence said Service within a reasonable period of time.

6.02 In the event of the discontinuance, sale or other disposition of said Service, as aforesaid, or at the termination of this Equipment Lease, the Railroad will pay such rentals as might be accrued and unpaid hereunder at such time or, if the Authority has received advance rentals hereunder accruing through a subsequent date, the Authority will return such portion thereof to the Railroad as shall not have accrued hereunder at such time.

ARTICLE VII  
RAILROAD MAINTENANCE RESPONSIBILITIES

7.01 Subject to the provisions of Section 7.03 and prior to termination of this Equipment Lease, (a) the Railroad will, at its own cost and expense, cause all of the Equipment to be maintained at all times as provided in the Service Agreement or (b) if no Service Agreement shall at any time or from time to time be in effect between the parties hereto, the Railroad will, at its own cost and expense, cause all of the Equipment to be maintained in good order and repair and in a condition satisfying all requirements of law at all such times; and the Railroad will make all required repairs promptly.

7.02 The Railroad will, at the expiration or other termination of this Equipment Lease as to any Unit, deliver such Unit to the Authority, or its nominee, subject to the provisions of Section 7.03, in good order and repair and in a condition satisfying all requirements of law, reasonable wear and tear excepted. If any such Unit is not then in such good order and repair or in such condition, the Railroad shall, subject to the provisions of Section 7.03, pay to the Authority, on demand, either (a) such sum or sums

of money as shall be necessary to make the necessary and proper repairs, or (b) the Casualty Value of such Unit, as defined in Section 10.01, together with (in either case) interest thereon from the date of such demand at the Interest Rate (as defined in the Purchase Agreement).

7.03 Notwithstanding the foregoing provisions of Sections 7.01 and 7.02, the Railroad shall not be obligated under this Equipment Lease to make the major repairs contemplated by items 6, 7 and 8 in the schedule of rehabilitation projects attached to the Memorandum of Agreement between the Authority and the Railroad executed on January 6, 1977 (herein called the "Memorandum of Agreement"), or to perform other programmed heavy maintenance agreed upon by the parties; provided, however, that the Railroad shall make all repairs and perform all heavy maintenance required because of events or circumstances within the control of the Railroad.

#### ARTICLE VIII AUTHORITY EQUIPMENT INSPECTION GUARANTEE

8.01 The Authority shall have the right and privilege, at any time, from time to time or on a continuing basis, during the Railroad's normal operating hours, to cause the Equipment or any Unit or part thereof to be in-

spected by any person to be appointed by the Authority and shall have the further right and privilege to demand from time to time from the Railroad, but with no more frequency than once each calendar year, a written statement of the condition of each Unit. Upon receipt of any such demand, the Railroad shall furnish such written statement of condition to the Authority within a reasonable time not to exceed sixty (60) days.

8.02 The Authority shall be given reasonable access to the Railroad's maintenance and repair records for checking and verification of its performance under the provisions of ARTICLE VIII.

#### ARTICLE IX INDEMNITY PROVISIONS

9.01 Except as otherwise provided in the Service Agreement, the Railroad will release fully and hold and keep the Authority and its Directors, officers, agents and employees harmless and will indemnify them from any and all liability, including costs and legal fees, if any, and further including claims for damages on account of loss or injury of or to the property of, or loss, injury or death of or to the person



of, members of the public, the agents, servants, employees, licensees, tenants, lessees and patrons of the Railroad, in any manner attributable to the ownership, operation or maintenance of the Equipment; provided, however, that this indemnity provision shall not apply in relation to willful and wanton acts of the Authority, its Directors, officers, agents and employees, or to criminal acts or omissions in the performance of their duties, or as to matters as to which they have not acted in good faith; and provided further, however, that the Railroad shall not be liable under this Section 9.01, irrespective of any negligence of the Railroad, its officers, directors, employees, agents or servants, for any injury to, or the death of, any person exercising, either on behalf of the Authority or any prospective purchaser, lessee or user from the Authority, the rights of inspection granted to the Authority under this Equipment Lease.

ARTICLE X  
RAILROAD EQUIPMENT REPLACEMENT RESPONSIBILITY

10.01 If any Unit is destroyed, in whole or in part, from any cause whatever prior to the expiration of this Equipment Lease as to such Unit, the Railroad shall, at

its option, either (a) repair or rebuild such Unit, within a reasonable period not to exceed six (6) months after the date of such destruction, if such Unit has been destroyed only in part, or (b) pay to the Authority an amount equal to the depreciated book value (herein called the "Casualty Value") which such Unit would have had on the Railroad's books immediately prior to the destruction of such Unit (using the same accounting method for determining depreciated book value as was used by the Railroad during calendar year 1976) computed as if such Unit had continued to be owned by the Railroad during the entire period between the date hereof and the date of such destruction and as if the Railroad itself had incurred all costs incurred during such period which would have increased such depreciated book value if such costs had been incurred by the Railroad, or (c) replace such Unit, within twenty-four (24) months after the date of such destruction, by and with another unit (hereinafter called a "New Unit") of equal or superior condition, size, capacity, value, material, character and construction, and such New Unit shall thereupon become the property of the Authority and be subject to the terms of this Equipment Lease, and the Railroad will do whatever may be appropriate to cause title to such New Unit to be vested in the Authority, subject to the terms of this Equipment Lease.

10.02 The Railroad shall have no obligation to obtain insurance coverage applicable to loss of or damage to or by the Equipment except as required by the Service Agreement. Should the Railroad elect to obtain additional insurance coverage, it may do so at its own expense. Such additional insurance coverage will be payable solely to the Railroad, subject to the Railroad's obligation to replace Equipment as provided in Section 10.01.

ARTICLE XI  
TERM OF LEASE

11.01 This Equipment Lease shall continue in force and effect as to each Unit of Original Equipment until the expiration of such Unit's estimated useful life. Attached hereto as Exhibit A is a table reflecting (a) the date upon which the parties estimate that the useful life of each Unit will expire and (b) as to those Units which the parties have agreed should be subjected to extraordinary maintenance as contemplated by the Memorandum of Agreement, the date upon which the parties estimate that the useful life of each such Unit will expire assuming completion of such extraordinary maintenance. If any Unit is subjected to any rebuilding or extraordinary or programmed heavy maintenance

other than that which the parties have agreed upon in the Memorandum of Intent which has the effect of extending the useful life of such Unit, the parties hereto will, in good faith, determine the estimated date upon which the extended useful life of such Unit is expected to expire, and the term of this Equipment Lease as to such Unit shall be appropriately extended by an amendment hereto. The parties shall agree upon the term of this Equipment Lease as to any New Unit which may at any time hereafter become subject to this Equipment Lease, which term shall be a fixed period equal to the estimated useful life of such New Unit.

11.02 Upon termination or expiration of the term of this Equipment Lease as to any Unit of the Equipment, the Railroad agrees to retain such Unit in its possession for up to 180 days to permit the Authority to arrange for the disposition of such Unit. Upon receipt of written instructions from the Authority, the Railroad will ship such Unit, at its expense, to a place on its line within the Metropolitan Region, as defined in the Act. The Authority agrees to arrange for such disposition within 180 days.

ARTICLE XII  
EQUIPMENT OWNERSHIP MARKING

12.01 The Railroad will plainly mark or cause to be marked on each side of each and every Unit leased hereunder, by an appropriate stencil, plaque or plate at least five inches by twelve inches (5" x 12") in size, the words "Regional Transportation Authority, Owner/Chicago and North Western Transportation Company, Lessee" and will not allow the name or designation of any other person or company as owner to be placed on any Unit.

12.02 The aforesaid Authority ownership markings shall be of sufficient permanence to last throughout the period of this Equipment Lease. In the event any of such markings become illegible, the Railroad will immediately restore the same.

12.03 The Authority shall have the right to require the Railroad, at the expense of the Authority, to change the paint scheme and insignia of the Equipment at any time compatible with the Railroad's commuter operations.

ARTICLE XIII  
RESPONSIBILITIES OF SUCCESSOR COMPANY OR COMPANIES

13.01 All of the provisions of this Equipment Lease shall apply to and bind the successors of the respective parties hereto. In the event there is a transfer of substantially all of the Railroad's property used and useful in the performance of the Railroad's Public Transportation Services by rail within the Metropolitan Region, as such terms are defined in the Act, to any corporation or entity approved by the Authority (which approval shall not be unreasonably withheld) or to a wholly-owned subsidiary of the Railroad or said property, including this Equipment Lease, is transferred by a merger, consolidation, exchange or sale of stock or sale or lease of substantially all the Railroad's lines of railroad to a successor corporation or other entity approved by the Interstate Commerce Commission ("ICC") or any other agency whose approval is required under federal law, the rights and obligations of the Railroad herein set forth shall become the rights and obligations of such successor corporation or entity, subject to the provisions of Section 19.07. In the event of any such merger, consolidation, exchange or sale of stock or lease, the Railroad will provide prior written notice of such ICC or other proceed-

ings to the Authority and will furnish the Authority with copies of all applications and other filings made in such proceedings at the time of the filing thereof or as soon as practicable thereafter.

13.02 The Railroad hereby covenants that it will at all times during the term of this Equipment Lease, on reasonable request, make, do, execute and deliver all such further or other reasonable assurances, acts and agreements as shall be necessary or deemed appropriate by the Authority to protect the Equipment or any Unit or part thereof, or the ownership or control thereof, for the benefit of the Authority.

#### ARTICLE XIV DISCLAIMER OF LIABILITY PROVISIONS

14.01 Neither the Chairman of the Board of Directors of the Authority nor any of the individual Directors, officers, employees or agents thereof shall be personally liable to the Railroad in any way by reason of any clause or provision of this Equipment Lease.

#### ARTICLE XV EQUIPMENT POOLING

15.01 Nothing in this Equipment Lease is intended

to prohibit the establishment by the Authority of rolling stock or other equipment pools with any other railroad or transit operator pursuant to the Service Agreement to the extent permitted by the Service Agreement or any other written agreement with the Railroad that may expressly authorize the Authority to subject a Unit to such pooling arrangements, but such pooling of any Unit shall be permitted only upon the terms and conditions (including, but not limited to, any terms relating to the Authority's indemnification of the Railroad for labor protection costs) specified in such Service Agreement or other agreement.

ARTICLE XVI  
REPRESENTATIONS TO ILLINOIS COMMERCE COMMISSION

16.01 Nothing in this Equipment Lease is intended to either prohibit or permit or to either discourage or encourage either the Railroad or the Authority from appearing or to appear before the Illinois Commerce Commission or any other appropriate government agency, during any period when no Service Agreement is in effect, for the purpose of presenting their respective views regarding the requirements of public convenience and necessity as related to the use of the Equipment or as related to any other aspect of the Railroad's Chicago suburban service.



ARTICLE XVII  
COST RECOVERY BY RAILROAD

17.01 Nothing in this Equipment Lease is intended to either prohibit or permit or to either discourage or encourage the Railroad from recovering or to recover under a Service Agreement in effect after June 30, 1979, if any Service Agreement is thereafter in effect, or from recovering or to recover in any other manner after that date, any costs (including, but not limited to, depreciation and maintenance), losses or liabilities, incurred or assumed by the Railroad after June 30, 1979 under any provision of this Equipment Lease.

ARTICLE XVIII  
LABOR ASSURANCE WARRANTIES

18.01 The Railroad warrants that, except for actions that may be initiated by or taken at the direction of the Authority pursuant to this Equipment Lease or (as it pertains to the Equipment or any Unit) the Service Agreement or any other agreement between the Authority and the Railroad, this Equipment Lease will not adversely affect the employment and working conditions of employees of the Railroad affected by the acquisition of the Equipment by the Authority and warrants that in the event any employees of the Railroad are so adversely affected, the Railroad will make appropriate

protective arrangements for such employees as required by Section 13(c) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. §1609(c)), and/or Section 405(b) of the Rail Passenger Service Act of 1970, as amended (45 U.S.C. §5656(b)), and/or as prescribed by the United States Secretary of Labor under either of such Acts, and/or by the Act or any other applicable law in the same manner and upon the same terms and conditions (including arbitration if agreement cannot be reached) as are set forth in the Service Agreement.

18.02 The Railroad further agrees to indemnify and hold harmless the Authority and the individual Directors, officers, employees and agents thereof from any liability, claims or expenses whatsoever arising from failure to meet the obligations and warranties contained in Section 18.01.

18.03 The Authority agrees that it will have financial responsibility for, and that the Railroad will have no financial responsibility for, the fair and equitable protection of employees of the Railroad who are adversely affected by actions initiated by or taken at the written direction of the Authority pursuant to this Equipment Lease in the event such actions cause claims against the Railroad

which are allowed (a) under the terms of agreements covering employees of the Railroad entered into as required by the Urban Mass Transportation Act of 1969, as amended, and/or the Rail Passenger Service Act of 1970, as amended, and/or prescribed by the Secretary of Labor under either of such Acts, and/or by the Act or any other applicable law, or (b) under terms of any existing agreement to which the Railroad is a party and/or any future agreement required to be entered into by the Railroad pursuant to any such existing agreement.

#### ARTICLE XIX GENERAL CONDITIONS

19.01 The Railroad shall permit the authorized representatives of the Authority, UMTA, IDOT and/or the Comptroller General of the United States to inspect and audit all data and records of the Railroad relating to the performance of this Equipment Lease.

19.02 The Railroad agrees that it will, with respect to its operations involving the Equipment, comply with the provisions of Title VII of the United States Civil Rights Act of 1964 (P.L. 88-352, 78 Stat. 253, 42 U.S.C. §§2000e et seq.), as the same may at any time be amended, and with the provisions of the Illinois Fair Employment

Practices Act (Ill.Rev.Stat. 1976, ch. 48, §§851-867), as the same may at any time be amended, and with the provisions of any other similar law at any time in effect during the term of this Equipment Lease, and with regulations from time to time promulgated thereunder. The Railroad warrants that it has on file with the Fair Employment Practices Commission an affirmative action program for employment with respect to its commuter service employees, which program insures that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, national origin, or ancestry. No discrimination in any employment by the Railroad shall be made in any term or aspect of employment because of race, religion, national origin, sex or political reasons or factors.

19.03 No Director, official, officer or employee of the Authority or of any municipality within the Metropolitan Region, as defined in the Act, during his tenure or for one year thereafter, shall have any pecuniary interest, direct or indirect, in this Equipment Lease or the proceeds thereof.

19.04 No member of or delegate to the Congress of the United States shall be admitted to any share or part of

this contract or to any benefit arising therefrom.

19.05 This Equipment Lease shall be construed in accordance with and be governed by the laws of the State of Illinois.

19.06 Any notice required or permitted by this Equipment Lease shall be in writing and may be either delivered in person or delivered by depositing the same in the United States Mail, postage prepaid, addressed to the Authority at: REGIONAL TRANSPORTATION AUTHORITY, Post Office Box 3858, Chicago, Illinois 60654, Attn: Bernard J. Ford; and to the Railroad at: CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, 400 West Madison Street, Chicago, Illinois 60606, Attn: Vice President-Law, or at such other address as either party may designate to the other in writing.

19.07 The Railroad agrees that this Equipment Lease shall not be assigned or transferred by the Railroad without the prior written consent of the Authority (which shall not be unreasonably withheld) except to a wholly-owned subsidiary of the Railroad or to a corporation or other entity that acquires substantially all the assets of its Public Transportation Service, as defined in the Act, by

merger, consolidation, exchange or sale of stock or sale or lease of substantially all the Railroad's lines of railroad approved by the Interstate Commerce Commission or any other agency whose approval is required under federal law, and that any successor to the Railroad's rights under this Equipment Lease will be required to agree in writing to all of the terms, conditions and requirements of this Equipment Lease, and to assume all the obligations of the Railroad hereunder, as a condition precedent to such succession.

19.08 The parties agree that no change of or modification to this Equipment Lease shall be of any force or effect unless such change or modification is embodied in an amendment which is dated and is reduced to a writing executed by both parties. No costs or obligations shall be incurred in consequence of any amendment to this Equipment Lease unless and until such a written amendment has been executed.

19.09 The parties agree that if any provision of this Equipment Lease shall be held invalid for any reason whatsoever, the remaining provisions shall not be affected thereby if such remaining provisions may continue to conform

with the purposes of this Equipment Lease and the requirements of applicable law.

19.10 The headings of this Equipment Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of any provision of this Equipment Lease.

19.11 This Equipment Lease may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

19.12 If requested to do so by the Authority, the Railroad will sign and deliver to the Authority, for filing or recording in such office or offices as the Authority shall deem appropriate, at the time of execution and delivery of this Equipment Lease or at any time or from time to time thereafter, one or more financing statements for filing under Section 9-408 of the Illinois Uniform Commercial Code, Illinois Revised Statutes 1976, Chap. 26, Sec. 9-408, referring to the Authority as "lessor" and the Railroad as "lessee" and covering any or all Units leased hereunder. In addition, if requested to do so by the Authority, the Railroad

will do such acts and things as may be proper to enable the Authority to file a copy of this Equipment Lease with the Interstate Commerce Commission ("ICC") pursuant to Section 20(c) of the Interstate Commerce Act, 49 U.S.C. §20(c), in accordance with the procedure for recordation of documents with the ICC set forth in 49 C.F.R., Part 1116.

IN WITNESS WHEREOF, each party hereto has caused this Equipment Lease to be duly executed and delivered, in its name and on its behalf, on the date first hereinabove set forth.

REGIONAL TRANSPORTATION AUTHORITY

By:

Milton Pikarsky  
Title Chairman

WITNESS:

Bernard J. Ford

CHICAGO AND NORTH WESTERN TRANSPORTA-  
TION COMPANY

By:

J. M. Butler  
Title Vice President

ATTEST:

Diane Kohler-Larock  
Assistant Secretary



ACKNOWLEDGMENT OF LESSEE

STATE OF ILLINOIS     )  
                              )     SS  
COUNTY OF COOK        )

On this 13 day of December, 1977, before me  
appeared J. M. Butler, to me personally  
known, who, being by me duly sworn, did say that he is a  
Vice President of CHICAGO AND NORTH WESTERN TRANSPORTATION  
COMPANY, a Delaware business corporation and the lessee  
under the foregoing Equipment Lease, and that the seal  
affixed to the foregoing Equipment Lease is the corporation  
seal of said corporation and that said Equipment Lease was  
signed and sealed on behalf of said corporation by authority  
of its Board of Directors, and said J. M. Butler  
acknowledged said Equipment Lease to be the free act and  
deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed my notarial seal on the day and year first above  
written.

My Commission Expires

February 25, 1978

Melvin F. Chatterton  
Notary Public in and for  
said County and State

ACKNOWLEDGMENT OF LESSOR

STATE OF ILLINOIS     )  
                              )     SS  
COUNTY OF COOK        )

On this 12<sup>th</sup> day of December, 1977, before me appeared Milton Pikarsky, to me personally known, who, being by me duly sworn, did say that he is the Chairman of the REGIONAL TRANSPORTATION AUTHORITY, an Illinois municipal corporation and the lessor under the foregoing Equipment Lease, and that said Equipment Lease was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Milton Pikarsky acknowledged said Equipment Lease to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the day and year first above written.

My Commission Expires

January 1978

Lallie L. McKeon  
Notary Public in and for  
said County and State

## EXHIBIT A TO EQUIPMENT LEASE

Estimated Dates on Which Units'  
Useful Lives Will Expire

Locomotive Unit No.	(a) Present Estimate Assuming No Extraordinary Maintenance (Expiration Calculated from July 1, 1977) — (Years)	(b) Estimate After Agreed Extraordinary Maintenance (Expiration Calculated from Date of Completion of Extraordinary Maintenance) (Years)
406	7	Not Applicable
407	7	" "
408	7	" "
409	7	" "
410	7	" "
411	7	" "
412	7	" "
413	7	" "
414	7	" "
416	7	" "
501	12	" "
502	12	" "
503	11	" "
504	11	" "
505	13	" "
506	13	" "
507	11	" "
508	11	" "
509	11	" "
510	11	" "
511	12	" "
512	11	" "
513	11	" "
514	9	" "
515	11	" "
516	11	" "
517	9	" "
518	11	" "
519	8	" "
520	8	" "
521	9	" "
522	8	" "
5019B	4	10
5021A	2	10
5024B	2	10
5025A	2	10
5025B	2	10
5026A	2	10
5026B	2	10
5027A	2	10

Estimated Dates on Which Units'  
Useful Lives Will Expire

<u>Locomotive Unit No.</u>	(a) Present Estimate Assuming No Extraordinary Maintenance (Expiration Calculated from <u>July 1, 1977) — (Years)</u>	(b) Estimate After Agreed Extraordinary Maintenance (Expiration Calculated from Date of Completion of Extraordinary Maintenance) <u>(Years)</u>
5028B	4	10
5030B	2	10
5031A	2	10
5031B	2	10
5032A	2	10
5033A	2	10

Estimated Dates on Which Cars'  
Useful Lives Will Expire

Car Unit No.	(a) Present Estimate Assuming No Extraordinary Maintenance (Expiration Calculated from July 1, 1977) — (Years)	(b) Estimate After Agreed Extraordinary Maintenance (Expiration Calculated from Date of Completion of Extraordinary Maintenance) (Years)
1	2	12½
2	2	"
3	2	"
4	2	"
5	2	"
6	2	"
7	1½	"
8	2	"
9	2	"
10	2	"
11	2	"
12	2	"
13	2	"
14	2	"
15	2	"
16	3	"
17	3	"
18	4	"
19	3	"
20	3	"
21	3	"
22	3	"
23	3	"
24	3	"
25	4	"
26	3	"
27	4	"
28	2	"
29	4	"
30	3	"
31	3	"
32	3	"
33	3	"
34	4	"
35	3	"
36	3	"
37	6	"
38	3	"
39	3	"
40	3	"

Estimated Dates on Which Cars'  
Useful Lives Will Expire

<u>Car</u> <u>Unit No.</u>	(a) Present Estimate Assuming No Extraordinary Maintenance (Expiration Calculated from <u>July 1, 1977) — (Years)</u>	(b) Estimate After Agreed Extraordinary Maintenance (Expiration Calculated from Date of Completion of Extraordinary Maintenance) <u>(Years)</u>
41	3	12½
42	3	"
43	3	"
44	3	"
45	3	"
46	3	"
47	3	"
48	4	"
49	6	"
50	6	"
51	5	"
52	5	"
53	6	"
54	5	"
55	7	"
56	6	"
57	5	"
58	5	"
59	6	"
60	5	"
61	6	"
62	6	"
63	6	"
64	7	"
65	7	"
66	7	"
67	7	"
68	7	"
69	7	"
70	7	"
71	6	"
72	6	"
73	7	"
74	7	"
75	7	"
76	6	"
77	7	"
78	7	"
79	6	"
80	6	"

Estimated Dates on Which Cars'  
Useful Lives Will Expire

<u>Car</u> <u>Unit No.</u>	(a) Present Estimate Assuming No Extraordinary Maintenance (Expiration Calculated from <u>July 1, 1977) — (Years)</u>	(b) Estimate After Agreed Extraordinary Maintenance (Expiration Calculated from Date of Completion of Extraordinary Maintenance) <u>(Years)</u>
81	7	12½
82	7	"
83	7	"
84	6	"
85	6	"
86	6	"
87	7	"
88	7	"
89	7	"
90	7	"
91	7	"
92	8	"
93	1½	"
94	1½	"
95	6	"
96	5	"
97	1½	"
98	5	"
99	2	"
100	6	"
101	2	"
102	1½	"
103	1½	"
104	1½	"
105	3	"
106	1½	"
107	3	"
108	1½	"
109	8	"
110	2	"
111	6	"
112	2	"
113	3	"
114	2	"
115	3	"
116	1½	"
117	2	"
118	1½	"
119	3	"
120	2	"

Estimated Dates on Which Cars'  
Useful Lives Will Expire

<u>Car</u> <u>Unit No.</u>	(a) Present Estimate Assuming No Extraordinary Maintenance (Expiration Calculated from <u>July 1, 1977) — (Years)</u>	(b) Estimate After Agreed Extraordinary Maintenance (Expiration Calculated from Date of Completion of Extraordinary Maintenance) <u>(Years)</u>
121	2	12½
122	1½	"
123	6	"
124	2	"
125	1½	"
126	1½	"
127	2	"
128	6	"
129	1½	"
130	2	"
131	1½	"
132	1½	"
133	3	"
134	2	"
135	2	"
136	6	"
137	2	"
138	3	"
139	3	"
140	2	"
141	2	"
142	4	"
143	2	"
144	6	"
145	6	"
146	3	"
147	1½	"
148	2	"
149	6	"
150	3	"
151	5	"
152	5	"
153	5	"
154	5	"
155	7	"
156	6	"
157	5	"
158	7	"
159	5	"
160	5	"



Estimated Dates on Which Cars'  
Useful Lives Will Expire

Car Unit No.	(a) Present Estimate Assuming No Extraordinary Maintenance (Expiration Calculated from July 1, 1977) — (Years)	(b) Estimate After Agreed Extraordinary Maintenance (Expiration Calculated from Date of Completion of Extraordinary Maintenance) (Years)
161	5	12½
162	6	"
163	5	"
164	6	"
165	7	"
166	5	"
167	6	"
168	8	Not Applicable
169	3	12½
170	1½	"
171	6	"
172	8	"
173	7	"
174	6	"
175	6	"
176	3	"
177	6	"
178	3	"
179	2	"
180	3	"
181	3	"
182	3	"
183	2	"
184	6	"
185	3	"
186	2	"
187	4	"
188	6	"
189	2	"
190	8	Not Applicable
191	3	12½
192	6	"
193	3	"
194	3	"
195	1½	"
196	2	"
197	3	"
198	6	"
199	6	"
200	7	"

Estimated Dates on Which Cars'  
Useful Lives Will Expire

<u>Car</u> <u>Unit No.</u>	(a) Present Estimate Assuming No Extraordinary Maintenance (Expiration Calculated from July 1, 1977) — (Years)	(b) Estimate After Agreed Extraordinary Maintenance (Expiration Calculated from Date of Completion of Extraordinary Maintenance) (Years)
201	8	Not Applicable
202	8	" "
203	6	12½
204	8	Not Applicable
205	8	" "
206	8	" "
207	8	" "
208	8	" "
209	8	" "
210	9	" "
211	9	" "
212	1½	12½
213	1½	"
214	9	Not Applicable
215	9	" "
216	1½	12½
217	1½	"
218	1½	"
219	1½	"
220	1½	"
221	1½	"
222	1½	"
223	1½	"
224	1½	"
225	1½	"
251	8	Not Applicable
252	7	12½
253	1½	"
254	6	"
255	9	Not Applicable
256	1½	12½
261	3	"
262	3	"
263	3	"
264	3	"
301	3	"
302	3	"
303	3	"
304	3	"
305	3	"

Estimated Dates on Which Cars'  
Useful Lives Will Expire

<u>Car Unit No.</u>	(a) Present Estimate Assuming No Extraordinary Maintenance (Expiration Calculated from <u>July 1, 1977) — (Years)</u>	(b) Estimate After Agreed Extraordinary Maintenance (Expiration Calculated from Date of Completion of Extraordinary Maintenance) <u>(Years)</u>
306	3	12½
307	3	"
308	3	"
309	3	"
310	3	"
311	3	"
312	3	"
313	3	"
314	3	"
315	3	"
316	3	"
317	4	"
318	4	"
319	4	"
320	4	"
321	4	"
322	4	"
323	4	"
324	4	"
325	5	"
326	5	"
327	5	"
328	5	"
329	5	"